



State of Wisconsin

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STEPHEN R. MILLER
CHIEF

October 18, 2005

MEMORANDUM

To: Representative Vos

From: Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

Subject: Technical Memorandum to **2005 AB-729** (LRB 05-3645/3)

We received the attached technical memorandum relating to your bill. This copy is for your information and your file. If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

CORRESPONDENCE MEMORANDUM

Wisconsin Department of Transportation
Office of Policy, Budget and Finance

Date: October 12, 2005
To: Legislative Reference Bureau
From: Office of Policy, Budget, and Finance
Department of Transportation
Subject: 2005 AB 729, Technical Memo.

Note that the Department of Revenue (DOR) needs time to compute the difference between what was actually collected and what would have been collected if the tax had not been reduced. The proposed transfer would occur some time during FY 2005-06. The Department's first concern would be whether DOR could make the transfer within FY 2005-06 if the bill was passed into law after February 2006. In addition, if the 120-day timeframe straddled both FY 2005-06 and FY 2006-07, would DOR transfer the entire amount in FY 2005-06?

The Department's second concern revolves around the use of the term "ultimate consumer" at page 2, lines 2-3. Chapter 78 only uses the term once, at 78.01(2r)(a), compared with 'user' which is used throughout Chapter 78. Note also that 78.01(1) reads, "the tax collected shall be added to the selling price so that the tax is paid ultimately by the user of the motor vehicle fuel." Finally, retail dealers sell to 'end users', per 78.005(13m). Should section 78.23(2) use 'end user' consistent with 78.01(1) and 78.005(13m), to ensure that the tax savings go to the same people who pay the tax? (Similar construction using word 'user' at 78.555.

If you have any questions regarding this technical memo, please feel free to contact Josh Peacock of the Office of Policy, Budget, and Finance, Department of Transportation at (608) 264-8715